

# COMPENSATION/BENEFITS – TV SPOTS

*(Did you know?)*

## **1. Subject: Military Pay**

- Basic pay has increased **25%** since 2001 compared to an average increase of **18%** in the private sector.
- Pay for Noncommissioned Officers has increased even more.
  - **33%** for typical E7s and E8s
- Including allowances, cash pay for an E7 has gone up more than **35%** since 2001.

## **2. Subject: Housing Allowance**

- The tax-free basic allowance for housing has increased **50%** since 2001.
- Prior to 2001 service members were expected to pay 20% of rent and utilities out of pocket.
- Today, the average member's out-of-pocket housing costs have been eliminated.

## **3. Subject: Take-Home Pay**

- A civilian would have to earn about \$65,000 a year to have the same take-home pay as an E-6 with 10 years of service earning \$50,000 in basic pay, BAH and BAS.
  - None of the BAH and BAS are taxable - this means no federal income tax, social security tax, Medicaid tax, state and local income taxes.
  - Military members do not have to pay for their medical care, nor do they have to contribute to their retirement.
- A service member that receives \$50,000 in pay and allowances takes home 93% of that amount.
  - A civilian takes home 72%.

## **4. Subject: Bonuses**

- If you have a critical skill, by making the military your career you can receive up to \$200,000 in bonuses.
- Don't have a critical skill? The military will train you to get one.
  - Plus the training that you receive is second to none in quality and will enhance your earning capacity when you leave.

## **5. Subject: Montgomery GI Bill**

- Did you know that Montgomery GI Bill will help you pay for your education by providing up to \$1,000 per month for 4 years of schooling for an investment of only \$100 a month for one year.
- That's up to \$36,000 in tax free funds for education expenses for a \$1,200 investment.

## **6. Subject: Retirement**

- An E-7 who retires after 20 years of service will receive \$1,800,000 in total retired pay over his or her lifetime.
- The lump-sum equivalent at age 38 of this annuity is almost \$475,000.
- A spouse can receive 55% of the retired pay for his or her lifetime under the Survivors Benefit Plan (SBP).

**7. Subject: Thrift Savings Plan (TSP)**

- Enlisted members contributing 5% of basic pay starting the first year of service will have \$83,000 in their TSP after 20 years.
    - Which will grow to \$440,000 by age 60.
    - If they serve 30 years, they would have \$257,000 at retirement which would grow to \$658,000 at age 60.
  - Officers retiring as O-5s with 20 years will have \$163,000 in their TSP account at retirement, which will grow to \$643,000 at age 60.
- \* Assumes 7.5% return and 3% annual military pay raises.

**8. Subject: Vacation Days**

- All service members have 30 days of annual leave and 10 paid holidays
- Private sector firms average only 16 days of paid leave after 10 years of service.
  - 19.1 days after 25 years.
- Average number of paid holidays is 8 in private industry.

**9. Subject: Health Insurance**

- All active service members receive health care at no cost; family members covered at minimal to no cost.
- Civilian employees pay about \$2,660 a year - about \$225 per month - for health insurance, plus...
  - 97% of those workers have additional copays/ coninsurance that typically average another \$1,200 annually.
  - Annual deductions range from \$80 for HMOs to \$861/yr for conventional plans.
  - Charges for hospital stays average \$224 per admission.

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\* Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits 2004.

**10. Subject: Non-Pay Benefits**

- Commissaries provide savings of 30% for typical grocery purchases.
- Exchanges provide convenient shopping, good prices and never charge sales taxes.
- Subsidized child care facilities are widely available to military members.
  - Only 14% of firms in private industry provide assistance for child care.